

**Interim report on operations at 30
September 2021
GVS Group**



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INFORMATION ABOUT THE COMPANY AND INFORMATION FOR SHAREHOLDERS

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LEGAL INFORMATION

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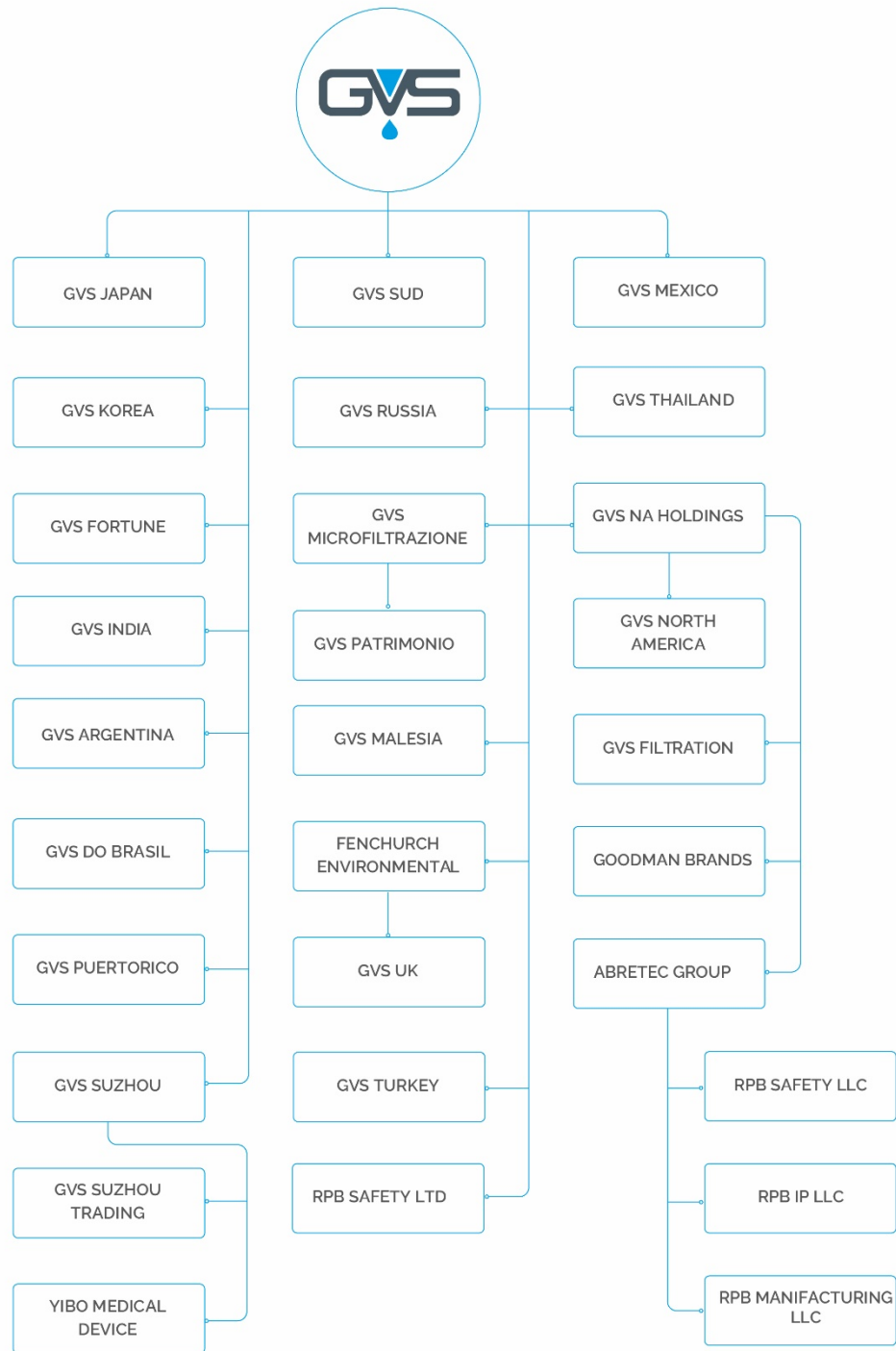
REA of Bologna 0305386

Register of Companies of Bologna 45539

INVESTOR RELATIONS

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GROUP STRUCTURE*



*For information on the company name, registered office, the currency in which the Company operates, share capital of the GVS Group companies and the stake held by GVS SpA, please see the Explanatory Notes.

CORPORATE BODIES

Board of Directors

| | |
|-------------------------|-------------------------|
| Chair | Grazia Valentini (2) |
| Chief Executive Officer | Massimo Scagliarini |
| Executive Directors | Marco Scagliarini |
| | Mario Saccone |
| | Matteo Viola |
| Independent Directors | Nadia Buttignol (1) |
| | Arabella Caporello (1) |
| | Alessandro Nasi (2) |
| | Michela Schizzi (1) (2) |

Board of Statutory Auditors

| | |
|---------------------|---------------------------|
| Chair | Patrizia Lucia Maria Riva |
| Standing auditors | Francesca Sandrolini |
| | Stefania Grazia |
| Substitute auditors | Daniela Baesi |
| | Mario Difino |

Manager responsible for the preparation of the company's accounting documents

Emanuele Stanco

Independent auditors

PricewaterhouseCoopers SpA

(1) Member of the Control, Risk and Sustainability Committee

(2) Member of the Nominations and Remuneration Committee

DIRECTORS' REPORT ON OPERATIONS

Foreword

The Interim Report on Operations of GVS SpA (hereinafter "**GVS**", the "**Company**", or the "**Parent Company**" and together with its subsidiaries the "**GVS Group**" or the "**Group**") is presented together with the interim consolidated financial statements at 30 September 2021.

The Interim Report on Operations is intended to provide information on the situation of the GVS Group and on operations as a whole and in the various sectors in which it operates, including through subsidiaries.

The tables below have been prepared on the basis of the consolidated financial statements at 30 September 2021, to which reference should be made. The latter were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union, as well as with measures issued in implementation of Article 9 of Legislative Decree no. 38/2005.

Group performance and analysis of the results for the period ending on 30 September 2021.

The GVS Group is one of the world's leading suppliers of filter solutions for applications in the following industries: Healthcare & Life Sciences, Energy & Mobility and Health & Safety.

The table below breaks down revenues from contracts with customers by division in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | Period ending on 30 September | |
|--|-------------------------------|----------------|
| | 2021 | 2020 |
| <i>Healthcare Liquid</i> | 73,483 | 56,991 |
| <i>Healthcare Air & Gas</i> | 38,810 | 42,589 |
| <i>Laboratory</i> | 23,915 | 15,818 |
| Healthcare & Life Sciences | 136,208 | 115,398 |
| <i>Powertrain & Drivetrain</i> | 21,775 | 20,216 |
| <i>Safety & Electronics</i> | 16,583 | 14,073 |
| <i>Sport & Utility</i> | 16,605 | 12,962 |
| Energy & Mobility | 54,963 | 47,250 |
| <i>Personal Safety</i> | 62,748 | 90,864 |
| <i>Air Safety</i> | 4,088 | 4,658 |
| Health & Safety | 66,836 | 95,522 |
| Revenue from customer contracts | 258,007 | 258,170 |

In the first nine months of 2021, GVS achieved consolidated revenues of Euro 258 million, in line with the same revenues recorded in the same period of 2020, equal to Euro 258.2 million. This result is mainly attributable to the performance of the Healthcare & Life Sciences division, due to the resumption of a sustained growth trend in the Laboratory business and the Healthcare Liquid business. In addition, in the period, both these divisions benefited from revenues of €3 million and €3.8 million, respectively, following agreements reached with customers, for the early closure of a supply order and for the achievement of a minimum level of guaranteed turnover. The Energy & Mobility division shows a growth rate of 16.3% compared to the same period in 2020, mainly for the Safety & Electronics and Sport & Utility businesses, thus demonstrating the return to a level of orders slightly lower than those prior to the pandemic. At the same time, Personal Safety and the Healthcare Air & Gas business

substantiate the expected decline in products affected by health emergencies and the delay in the transition from disposable products to products less related to the emergency.

Financial statements for the period closing at 30 September 2021 are shown below in comparison with those of the same period of the previous year, reclassified on the basis of current practice in financial analysis.

Analysis of reclassified financial position

| | The 9-month period closed on 30th September | | | | | | | |
|---|---|------------------------|-------------------------------|---------------|----------------|------------------------|-------------------------------|---------------|
| | 2021 | | 2021 from ordinary operations | | 2020 | | 2020 from ordinary operations | |
| <i>(in thousands of Euro)</i> | | of which non-recurring | | % | | of which non-recurring | | % |
| Revenues from sales and services | 258,007 | | 258,007 | 100.0% | 258,170 | | 258,170 | 100.0% |
| Other revenues and proceeds | 3,561 | 2,413 | 1,148 | 0.4% | 1,150 | | 1,150 | 0.4% |
| Total revenues | 261,568 | 2,413 | 259,155 | 100.4% | 259,320 | | 259,320 | 100.4% |
| Cost of raw materials purchases and variations in inventories | (68,230) | | (68,230) | -26.4% | (61,433) | | (61,433) | -23.8% |
| Services | (27,709) | (1,910) | (25,799) | -10.0% | (25,807) | (4,544) | (21,263) | -8.2% |
| Various operating costs | (4,334) | (1,451) | (2,883) | -1.1% | (2,161) | | (2,161) | -0.8% |
| Added value | 161,295 | (948) | 162,243 | 62.9% | 169,919 | (4,544) | 174,463 | 67.6% |
| Cost of labour | (76,326) | | (76,326) | -29.6% | (71,489) | (1,080) | (70,409) | -27.3% |
| EBITDA | 84,969 | (948) | 85,917 | 33.3% | 98,430 | (5,624) | 104,054 | 40.3% |
| Amortisation and depreciation | (15,789) | (2,746) | (13,043) | -5.1% | (13,958) | (2,920) | (11,038) | -4.3% |
| Provisions and writedowns | (303) | | (303) | -0.1% | (181) | | (181) | -0.1% |
| EBIT | 68,877 | (3,694) | 72,571 | 28.1% | 84,291 | (8,544) | 92,835 | 36.0% |
| Financial proceeds and charges | 4,550 | | 4,550 | 1.8% | (9,195) | | (9,195) | -3.6% |
| Pre-tax result | 73,427 | (3,694) | 77,121 | 29.9% | 75,096 | (8,544) | 83,640 | 32.4% |
| Income tax | (17,088) | 541 | (17,629) | -6.8% | (17,868) | 1,840 | (19,708) | -7.6% |
| Group's and minority shareholders' net profit or loss | 56,340 | (3,153) | 59,493 | 23.1% | 57,228 | (6,704) | 63,932 | 24.8% |

The consolidated economic results of operations of the period closing at 30 September 2021 were as follows: total revenues from ordinary operations amounted to Euro 259.2 million (Euro 259.3 million in 2020); EBITDA from ordinary operations amounted to Euro 85.9 million (Euro 104.1 million in 2020); EBIT from ordinary operations came to Euro 72.6 million (Euro 92.8 million in 2020).

The trend in revenues from contracts with customers (in line with the previous year) is the result of sales trends in individual customer categories, as stated in the analysis above.

The percentage incidence of the first margin (total revenues, less cost of goods purchased plus change in inventories) on revenues from sales and services decreased compared to the same period last year (-2.6 percentage point) primarily after the different mix of sales achieved in the periods of comparison. Other revenues and proceeds from ordinary operations primarily represent contributions for operating expenses, recovery and chargeback of costs and insurance refunds. The balance of the normalized item is in line with the previous period.

The percentage incidence of the "Value added" margin on revenues from sales and services recorded a decrease in 2021 (-4.7 percentage points), compared to the same period last year, due to the effect of the change in the mix of products sold, which led to a greater incidence of raw material costs and to a growth in the finished product inventory, and which led to a different ratio between production volumes valued at average cost and sales volumes for the third quarter, as well as a greater significance of costs for services, compared to the first nine months of 2020.

The increase in absolute value of personnel costs in the period ended 30 September 2021 compared to the same period of the previous year is due to the acquisitions completed in 2020 and the strengthening of the Group structure. The percentage impact of personnel costs on revenues from sales and services rose from the previous year, from 27.3% in 2020 to 29.6% in 2021.

The increase in absolute value of the item amortisation, depreciation and write-downs for the period ended 30 September 2021 compared with the same period of the previous financial year is mainly due to the acceleration of the investment plans implemented by the Group during 2020 to meet the increase in production capacity which was necessary.

Net financial charges (net of profits on exchanges amounted to Euro 5,923 thousand recorded in the period closed at 30 September 2021 and losses on exchanges of Euro 6,295 thousand recorded in 2020) decreased in the period under examination, from Euro 2,900 thousand in the period ending on 30 September 2020 to Euro 1,373 thousand in the period ending on 30 September 2021, primarily as a result of a reduction of interest expense. The reduction of interest expense followed a decrease in financial payables characterised by higher nominal rates and the closing and subsequent signing of new loans at more advantageous economic conditions, that took place during 2020.

The pre-tax result of recurrent activities reached Euro 77.1 million in 2021, Euro 6.5 million lower than the 2020 figure of Euro 83.6 million, due to the effect of the factors described above.

Non-recurrent proceeds and charges in the period ending on 30 September 2021 represent: (i) the capital gain realised following the sale of the Suzhou production site to the Chinese government (€1,925 thousand); (ii) contributions obtained from the Chinese government for the relocation of the same production site (€488 thousand); (iii) one-off CONSOB supervisory costs paid in relation to the IPO procedure (€991 thousand); (iv) costs allocated to the above-mentioned fund for the relocation of the Chinese production site, and the production site in England (coming to €1,451 thousand); and (v) consultancy costs for the acquisition of the RPB Group (€919 thousand) and (vi) amortisation of intangible and tangible assets recorded following the purchase price allocation of the Kuss group (€2,746 thousand), net of the related tax effect.

Non-recurrent proceeds and charges in the period ending on 30 September 2020 represent: (i) amortisation of intangible assets recorded following the purchase price allocation of the Kuss group (Euro 2,920 thousand), (ii) consultancy costs and one-off bonuses paid to the personnel in relation to the IPO procedure concluded on 19 June 2020 (Euro 5,081 thousand), (iii) consultancy costs for purchase of the shareholding in Puerto Rico (Euro 259 thousand) and (iv) personnel reorganisation costs (Euro 284 thousand), net of the related tax effect.

Analysis of reclassified equity position

| <i>(in thousands of Euro)</i> | At 30 September 2021 | At 31 December 2020 |
|---|-------------------------|------------------------|
| Net intangible assets | 236,847 | 90,979 |
| Net usage rights | 10,698 | 8,438 |
| Net tangible assets | 76,844 | 68,925 |
| Financial fixed assets | 919 | 967 |
| Other fixed assets | 5,580 | 4,568 |
| Fixed capital (A) | 330,890 | 173,877 |
| Net trade receivables | 48,350 | 52,084 |
| Inventories | 74,200 | 46,048 |
| Payables to suppliers | (23,523) | (25,585) |
| Net commercial working capital (B) | 99,027 | 72,548 |
| Other current assets | 16,234 | 10,253 |
| Other current liabilities | (22,580) | (36,933) |
| Total current assets/liabilities (C) | (6,346) | (26,680) |
| Net working capital (D)= (B) + (C) | 92,681 | 45,867 |
| Other non-current liabilities (E) | (4,886) | (3,167) |
| Employee termination indemnity and end of service indemnity (F) | (4,547) | (4,499) |
| Provisions for risks and charges (G) | (2,489) | (1,000) |

| | | |
|---|------------------|------------------|
| Net invested capital (H) = (A+D+E+F+G) | 411,649 | 211,078 |
| Shareholders' equity | (284,042) | (242,698) |
| Consolidated shareholders' equity (I) | (284,042) | (242,698) |
| (Short-term financial indebtedness)/Liquidity | 81,638 | 106,925 |
| (Net medium/long term financial indebtedness) | (209,245) | (75,306) |
| Net financial indebtedness (L) | (127,607) | 31,619 |
| Own funds and net financial indebtedness (M) = (I+L) | (411,649) | (211,078) |

Fixed capital at 30 September 2021 shows an increase of Euro 157,012 thousand, mainly due to the acquisition of the RPB group for a total amount of Euro 144,508 thousand. Specifically, net intangible assets increased by € 145,868 thousand, of which € 139,218 thousand for the additional goodwill resulting from RPB, tangible fixed assets increased by € 7,920 thousand, of which € 3,301 thousand due to RPB and usage rights increased by Euro 2,260 thousand, of which Euro 1,807 thousand relating to RPB.

The balance of commercial net working capital at 30 September 2021 shows an increase of Euro 26,480 thousand, compared to 31 December 2020, due for Euro 14,000 to the net working capital relating to the RPB group at the acquisition date. Excluding the increase in inventories to be attributed to this extraordinary operation for Euro 11,350 thousand, the increase in inventory of Euro 16,801 thousand mainly concerned raw materials to anticipate future price increases and to avoid production disruption due to the known problems of force majeure and the criticalities of the supply chain and transportation, and the finished products of the Personal Safety business to be ready to seize every opportunity when the market restarts.

The increase in other current assets at 30 September 2021, amounting to €5,981 thousand, was mainly due to the increase in receivables for direct and indirect taxes and prepaid expenses.

The decrease in other current liabilities at 30 September 2021 compared to 31 December 2020, amounting to €14,353 thousand, was mainly due to the decrease in current tax payables for €10,999 thousand and payables to employees and directors for €2,069 thousand.

Shareholders' equity at 30 September 2021 increased by €41,345 thousand, mainly due to the overall result for the period of €62,071 thousand, reduced by dividends resolved for €22,750 thousand.

The reader is referred to the next section for information on changes in net financial indebtedness.

Analysis of net financial indebtedness and net financial position

Trends in net financial indebtedness and net financial position are analysed below.

| <i>(in thousands of Euro)</i> | | At 30 September 2021 | At 31 December 2020 |
|-------------------------------|---|-----------------------------|----------------------------|
| (A) | Cash on hand | 130,409 | 125,068 |
| (B) | Cash equivalents | - | - |
| | Term deposits | - | 358 |
| | Shares held for trading | 6,086 | 4,517 |
| | Financial receivables due to leasing | 29 | 151 |
| (C) | Other current financial assets | 6,115 | 5,026 |
| (D) | Liquidity (A)+(B)+(C) | 136,524 | 130,093 |
| | Financial payables to other companies in the GVS Group due to leasing | 1,459 | 965 |
| | Financial payables for leasing | 2,792 | 2,530 |
| | Other current payables | 28,934 | - |
| | Other financial payables | 699 | 567 |
| (E) | Current financial indebtedness | 33,884 | 4,063 |
| (F) | Current portion of non-current indebtedness | 21,002 | 19,106 |
| (G) | Current financial indebtedness (E)+(F) | 54,886 | 23,168 |

| | | | |
|------------|---|------------------|----------------|
| (H) | Net current financial indebtedness (D)-(G) | 81,638 | 106,925 |
| | Non-current bank debts | 177,976 | 33,649 |
| | Non-current bonded loans | 24,530 | 36,079 |
| | Other financial payables | 87 | - |
| | Financial payables to other companies in the GVS Group due to leasing | 2,226 | 2,146 |
| | Non-current financial payables for leasing | 4,412 | 3,325 |
| (I) | Non-current financial indebtedness | 209,231 | 75,199 |
| | Passive derivative financial instruments | 14 | 107 |
| (J) | Debt instruments | 14 | 107 |
| (K) | Trade payables and other non-current payables | - | - |
| (L) | Non-current financial indebtedness (I)+(J)+(K) | 209,245 | 75,306 |
| (M) | Total net financial indebtedness (H)-(L) | (127,607) | 31,619 |

The change in net financial indebtedness at 30 September 2021 compared to 31 December 2020, totalling € 159,227 thousand, is mainly due to the net liquidity used for the acquisition of the RPB group equal to € 129,202 thousand and the current financial indebtedness for earn out, equal to Euro 28,934 thousand, relating to the same transaction. In terms of current operations, the cash generated by operations was sufficient to meet the ordinary investments made during the period and the liquidity used for the payment of dividends and financial charges. The increase in current financial indebtedness, equal to Euro 31,718 thousand, is mainly attributable to the payable for earn out mentioned above, whose payment is expected in the first half of 2022. The increase in non-current financial indebtedness, equal to Euro 133,939 thousand, is mainly attributable to the new loan of Euro 150 million taken out over 5 years with a pool of lending banks: Mediobanca - Banca di Credito Finanziario S.p.A., which also acts as agent, Unicredit S.p.A. and Crédit Agricole Italia S.p.A. Note that existing loan agreements require the GVS Group to comply with certain financial parameters, which were met as of 30 September 2021.

The Group's net financial position (excluding non-current active derivatives and net current and non-current leasing liabilities, measured in accordance with the provisions of IFRS 16 and equal to a total of Euro 10,860 thousand at 30 September 2021 and Euro 8,815 thousand at 31 December 2020 respectively), amounted to negative Euro 116,719 thousand and positive Euro 40,435 thousand as of these dates.

| <i>(in thousands of Euro)</i> | At 30 September 2021 | At 31 December 2020 |
|---|-----------------------------|----------------------------|
| (M) Total net financial indebtedness | (127,607) | 31,619 |
| Non-current active derivative financial instruments | 28 | - |
| Financial payables for leasing (net) | 10,860 | 8,815 |
| Total net financial position | (116,719) | 40,435 |

Cash flow statement

The cash flow statement appears below.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|--|--|-------------|
| | 2021 | 2020 |
| Pre-tax result | 73,427 | 75,096 |
| - <i>Adjustment for:</i> | | |
| Amortisation, depreciation and writedowns | 15,789 | 13,958 |
| Capital losses / (capital gains) from sale of assets | (1,954) | (10) |
| Financial charges / (proceeds) | (4,550) | 9,195 |
| Other non-monetary variations | 3,829 | 1,148 |

| | | |
|--|------------------|-----------------|
| Cash flow generated / (absorbed) by operations before variations in net working capital | 86,542 | 99,387 |
| Variation in inventories | (11,646) | (16,590) |
| Variation in trade receivables | 4,244 | (27,352) |
| Variation in trade payables | (4,900) | 25,963 |
| Variation in other assets and liabilities | (3,976) | (2,770) |
| Use of provisions for risks and charges and for employee benefits | (728) | (644) |
| Taxes paid | (29,588) | (6,630) |
| Net cash flow generated / (absorbed) by operations | 39,948 | 71,363 |
| Investments in tangible assets | (11,633) | (22,176) |
| Investments in intangible assets | (3,877) | (2,285) |
| Disposal of tangible assets | 3,516 | 196 |
| Investment in financial assets | (1,126) | (3,061) |
| Payment for purchase of business unit net of cash on hand acquired | (129,202) | (10,532) |
| Net cash flow generated / (absorbed) by investment | (142,322) | (37,858) |
| Opening of long-term financial payables | 150,139 | 503 |
| Repayment of long-term financial payables | (15,260) | (41,955) |
| Variations in current financial payables | - | (3,000) |
| Repayment of leasing liabilities | (3,202) | (2,165) |
| Financial charges paid | (3,239) | (4,018) |
| Financial proceeds collected | 342 | 94 |
| Net fee for IPO | - | 74,508 |
| Dividends paid | (22,659) | (1,681) |
| Net cash flow generated/(absorbed) by financial assets | 106,121 | 22,286 |
| Total variation in cash on hand | 3,746 | 55,792 |
| Cash on hand at the start of the period | 125,068 | 58,542 |
| Total variation in cash on hand | 3,746 | 55,792 |
| Conversion differences on cash on hand | 1,595 | (2,145) |
| Cash on hand at the end of the period | 130,409 | 112,189 |

During the period ending on 30 September 2021, operations generated Euro 12,845 thousand less liquidity than in the same period of the previous year, primarily as a result of the decreased EBITDA; in addition, cash flows absorbed by working capital were Euro 18,570 thousand higher.

During the period ended 30 September 2021, the net investment activity (ordinary and for extraordinary acquisitions) shows an absorption of liquidity, compared to the same period of the previous year, for Euro 104,464 thousand following the acquisition of the RPB group.

Financial assets shows a greater cash contribution for Euro 83,832 compared to the same period of the previous year, following the signing of the new loan of Euro 150 million net of the payment of dividends in June 2021 and of the repayments of the loan instalments, compared to the previous year characterized by the cash contribution obtained following the capital increase, net of the repayments of the instalments of the loans paid.

Indicators

The Group's principal economic and financial indicators and other indicators at 30 September 2020 and 30 September 2021 are listed below.

| <i>(in thousands of Euro)</i> | Period ending on 30 September | |
|--|-------------------------------|---------|
| | 2021 | 2020 |
| ROE (net profit/total net shareholders' equity) | 26% | 34% |
| ROI (EBIT from ordinary operations/net invested capital) | 24% | 55% |
| ROS (EBIT from ordinary operations/ordinary total revenues) | 28% | 36% |
| EBITDA | 84,969 | 98,430 |
| EBITDA from ordinary operations | 85,917 | 104,054 |
| Net interest expense (excluding gains/losses on exchanges) | (1,373) | (2,900) |
| Net Financial Debt | (127,607) | (1,196) |
| Net financial position | (116,719) | 7,911 |
| Total intangible fixed assets/Total fixed assets | 72% | 54% |
| Total intangible fixed assets/Total assets | 39% | 23% |
| Acid test (short-term assets/short-term liabilities) | 1.4 | 1.2 |
| Net interest expense / payables to lenders | 0.8% | 3.3% |
| Indebtedness ratio (net financial indebtedness/shareholders' equity) | 0.45 | 0.01 |
| Net financial position/shareholders' equity | 0.41 | (0.04) |
| EBITDA/Interest | 61.89 | 33.94 |
| EBITDA from ordinary operations/Interest | 62.58 | 35.88 |
| Net financial position/EBITDA | 1.03 | (0.06) |
| Net financial position/EBITDA from ordinary operations | 1.02 | (0.06) |
| Net financial debt / EBITDA | 1.13 | 0.01 |
| Net financial indebtedness/EBITDA from ordinary operations | 1.11 | 0.01 |

Investments.

The Group's investment policy aims to achieve diversification in terms of product range and creation of new technological solutions for integration into the range of products it offers for sale. The development of new products is important for the Group, in order to continuously increase the satisfaction of its customers. Moreover, in the period under examination here, the Group has invested in improvement of the efficiency of production through reinforcement and boosting of automation processes and adaptation of its productive capacity to ensure immediate flexibility in response to a possible increase in activity and adaptability to emerging trends.

Investments for the period ended 30 September 2021 is mainly attributable to the expansion of production capacity of the Healthcare & Life Sciences division, as well as for the Health & Safety and Energy & Mobility divisions for the expansion of the product range.

Furthermore, it should be noted that, with reference to the period ended 30 September 2021, the main investments concerned the production plants in Italy, the plants in the United States of America and the GVS sites in the United Kingdom and Mexico.

Research and development.

With research and development centres all over the world, GVS offers an extremely efficient service tailored to respond to its customers' requests: from product conception and design to validation and mass production.

The Group's R&D work aims to introduce new products and implement new production processes. These activities are divided into a number of different phases, from conception and start of the process of designing and new product process to large-scale industrial production. The main indicators for the period under review compared with the same period of the previous year are shown below.

| <i>(in thousands of Euro)</i> | Period ending on 30 September | |
|---|-------------------------------|--------|
| | 2021 | 2020 |
| Research and development costs | 15,100 | 14,124 |
| Research and development costs/revenues from contracts with customers | 5.9% | 5.5% |

Additional information

The Company does not own, and never has owned, stocks or shares in its parent company, even through an intermediary, and therefore did not buy or sell any such stocks or shares in 2021.

As of 30 September 2021, the Company did not hold treasury shares in its portfolio.

The Group did not conduct any atypical or unusual transactions during the period.

Principal risks and uncertainties

In conducting its business, the Company is exposed to financial risk, as described in the Explanatory Notes, representing:

- market risk, deriving from oscillating exchange rates between the Euro and the other currencies in which the Group operates, and of interest rates;
- credit risk, deriving from the possibility of a counterpart defaulting;
- liquidity risk, deriving from insufficiency of financial resources to fulfil financial commitments.

The Group's goal is to maintain balanced management of its financial exposure over the years in order to guarantee a debt structure that is balanced with the composition of the company's assets and capable of guaranteeing the necessary flexibility in operations through use of liquidity generated by current operations and resort to bank loans.

The capacity of characteristic management to generate liquidity and the capacity for indebtedness allow the Group to adequately satisfy the requirements of its operations and financing of operative working capital and investment capital, and to fulfil its financial obligations.

The Group's financial policy and management of financial risk are guided and monitored at the central level. In particular, the central finance function assesses and approves provisional financial requirements, monitors trends and applies appropriate corrective actions where necessary.

Inter-group and related party transactions

With regard to relations with subsidiary, associated, parent and affiliated companies, please see the analytical indications given in the explanatory notes to these interim financial statements. The following is a summary of the types of transactions that have taken place:

| Company | Type of transaction |
|---|---|
| Parent Company - GVS Group Srl | Financial, consolidated fiscal |
| Subsidiaries | Commercial, performance of services and financial |
| Associated companies – Companies in the GVS Group | Services |

GVS SpA and its Italian subsidiary GVS Sud S.r.l. participate in the optional national tax consolidation system under GVS Group S.r.l. Transactions with subsidiaries are primarily commercial (sale of raw materials and finished goods, and providing of services for production) and financial (providing intragroup loans) in nature and are conducted under the conditions normally in effect on the market. The Company and a number of its subsidiaries have stipulated contracts for the leasing of real estate properties with companies directly or indirectly controlled by GVS Group S.r.l., under the conditions normally in effect on the market.

With regard to transactions with related parties, including inter-group transactions, it should be noted that these were neither atypical nor unusual and are part of the normal course of business of Group companies. They were carried out in compliance with internal procedure that contains rules aimed at ensuring their transparency and fairness, pursuant to the CONSOB Regulation No. 17221/2010.

In the notes to the consolidated financial statements, the Company provides the disclosures required pursuant to Art. 154-ter of the TUF as indicated by the CONSOB Regulation No. 17221 of 12 March 2010 and subsequent CONSOB Resolution No. 17389 of 23 June 2010. The disclosure on transactions with related parties required by the CONSOB Communication of 28 July 2006 is presented in the attached tables.

Significant events occurring during the period.

In the month of January 2021, the subsidiary GVS Technology (Suzhou) Co. Ltd. transferred ownership of its production site in Suzhou to the Chinese Public Authority and recorded an extraordinary capital gain of approximately Euro 1,925 thousand. At the same time, if on the one hand contributions obtained from the Chinese government for the relocation of the same production site for €488 thousand were recorded on the consolidated income statement, on the other hand a provision for charges for the relocation of the same factory was recorded for €930 thousand. According to the agreements reached, the company will continue to operate there, free of charge, until relocation to a new production site is completed. The timings of the investment in the new production site and the relocation of production and warehousing will be agreed between the parties at a later stage, in order to avoid disruption of the manufacture and marketing of products.

On 28 July 2021, the Board of Directors resolved to sell the shareholding in GVS Patrimonio Immobiliare Srl, held by GVS Microfiltration to GVS Real Estate Srl. This transaction will be financed by GVS Real Estate Srl, which will pay the sale price and provide GVS Patrimonio Immobiliare with the amount necessary to extinguish its current debt position with GVS S.p.A. At the date of this report, the sale had not yet been completed.

On 31 August 2021, the GVS Group acquired 100% of the share capital of the RPB Group, which specialises in the design and manufacture of respiratory protection, including compressed air respirators and powered air-purifying respirators. In particular, GVS NA Holding Inc. (100% owned by GVS S.p.A.) acquired 100% of the share capital of the American companies Goodman Brands LLC and Abretec Group LLC, while GVS S.p.A. acquired 100% of the share capital of RPB Safety Limited (a New Zealand company). The purchase price was set at a maximum of USD 194.4 million. The transaction provides for an upfront payment of approximately \$150 million for the acquisition of 100% of the share capital, and a possible earn-out of \$44.4 million (maximum value), the payment of which, expected in 2022, will be proportionally related to the achievement of the RPB group's 2021 Adjusted EBITDA targets. In order to finance the transaction, GVS signed a 5-year loan agreement for 150 million Euro with a pool of lending banks: Mediobanca - Banca di Credito Finanziario S.p.A., which also acts as agent, Unicredit S.p.A. and Crédit Agricole Italia S.p.A. GVS S.p.A. then made available to GVS NA Holding Inc. the funds necessary for the purchase of the two American companies through an intra-group loan at market conditions.

The period closing at 30 September 2021 was another one influenced by the COVID-19 pandemic (commonly known as Coronavirus). Like in the previous fiscal year, the Group continued to implement organisational measures and procedures to ensure the continuation of production and management activities, so as to guarantee respect for commitments made to customers, while fully respecting the health of its employees and collaborators.

Events subsequent to the close of the period

In October 2021, the Company launched the treasury share purchase program authorized by the Shareholders' Meeting of 27 April 2021 (the "Buyback Plan") within the terms already disclosed to the market. In execution of the aforementioned shareholders' resolution, starting from 8 October 2021 and

until 30 April 2022, the first part of the Buyback Plan was launched, for the maximum number of 450,000 treasury shares that can be purchased (equal to 0.26% of the subscribed and paid-up share capital) and the maximum value of which has been established at Euro 6,000,000.

Business outlook

For the last few months of 2021, the GVS Group will continue to strive for organic consolidation of the results reached to date, thanks to a rebalancing of the product portfolio mix that will enable it to consolidate the extraordinary growth occurring in 2020 and in the first quarter of 2021, by continuing to focus highly on timeliness in responding to market and client demands with an increasing sensitivity to active management of ESG issues. Downstream of the results in the first nine months of 2021 and, based on the amount of revenues from contracts with customers already achieved and the order backlog acquired to date, which show the fourth quarter recovering in terms of turnover and profitability, there is still the expectations of closing the turnover at around 345 M € with an adjusted EBITDA margin around 33%. Due to the randomness connected to the occurrence of any future event, it cannot be excluded that there may be deviations from final values and the values mentioned above.

Zola Predosa, 10 November 2021

For the Board of Directors

Massimo Scagliarini

Chief Executive Officer

FINANCIAL STATEMENTS AT 30 September 2021

Consolidated statement of assets and liabilities*

| <i>(in thousands of Euro)</i> | At 30 September 2021 | At 31 December 2020 |
|---|----------------------|---------------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 236,847 | 90,979 |
| Assets represented by usage rights | 10,698 | 8,438 |
| Tangible assets | 74,504 | 68,925 |
| Advance tax assets | 5,552 | 4,568 |
| Non-current financial assets | 919 | 968 |
| Non-current derivative financial instruments | 28 | - |
| Total non-current assets | 328,548 | 173,878 |
| Current assets | | |
| Inventories | 74,199 | 46,048 |
| Trade receivables | 48,350 | 52,084 |
| Assets from contracts with customers | 1,790 | 1,753 |
| Current tax receivables | 3,496 | 202 |
| Other receivables and current assets | 10,948 | 8,299 |
| Current financial assets | 6,115 | 5,026 |
| Cash on hand | 130,409 | 125,068 |
| Total current assets | 275,307 | 238,480 |
| Total Assets held for sale | 2,340 | - |
| TOTAL ASSETS | 606,196 | 412,358 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | |
| Share capital | 1,750 | 1,750 |
| Reserves | 225,923 | 162,854 |
| Net income | 56,332 | 78,063 |
| Group net shareholders' equity | 284,005 | 242,667 |
| Shareholders' equity attributable to non-controlling interests | 36 | 30 |
| Total shareholders' equity | 284,041 | 242,697 |
| Non-current liabilities | | |
| Non-current financial liabilities | 202,593 | 69,728 |
| Non-current leasing liabilities | 6,638 | 5,471 |
| Deferred tax liabilities | 4,886 | 3,167 |
| Provisions for employee benefits | 4,547 | 4,499 |
| Provisions for risks and charges | 2,489 | 1,000 |
| Non-current derivative financial instruments | 14 | 107 |
| Total non-current liabilities | 221,167 | 83,972 |
| Current liabilities | | |
| Current financial liabilities | 21,701 | 19,673 |
| Current leasing liabilities | 4,251 | 3,495 |
| Trade payables | 23,523 | 25,585 |
| Liabilities from contracts with customers | 3,737 | 4,894 |
| Current tax payables | 3,486 | 14,485 |
| Other current payables and liabilities | 44,290 | 17,557 |
| Total current liabilities | 100,988 | 85,689 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 606,196 | 412,358 |

(*) Pursuant to the CONSOB Resolution No. 15519 of 27 July 2016, the effects of transactions with related parties on consolidated statement of assets and liabilities are highlighted in the attached tables.

Consolidated income statement*

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|---|--|----------------|
| | 2021 | 2020 |
| Revenue from customer contracts | 258,007 | 258,170 |
| Other revenues and proceeds | 3,561 | 1,150 |
| Total revenues | 261,568 | 259,320 |
| Purchases and consumption of raw materials, semi-products and finished products | (68,230) | (61,433) |
| Personnel costs | (76,326) | (71,489) |
| Service costs | (27,709) | (25,807) |
| Other operating costs | (4,334) | (2,161) |
| EBITDA | 84,969 | 98,430 |
| Net writedowns of financial assets | (303) | (181) |
| Amortisation, depreciation and writedowns | (15,789) | (13,958) |
| EBIT | 68,877 | 84,291 |
| Financial proceeds | 6,265 | 94 |
| Financial charges | (1,715) | (9,289) |
| Pre-tax result | 73,427 | 75,096 |
| Income tax | (17,088) | (17,868) |
| Net income | 56,340 | 57,228 |
| <i>Group's share</i> | <i>56,332</i> | <i>57,216</i> |
| <i>Minority share</i> | <i>8</i> | <i>12</i> |
| <i>Basic net profit per share</i> | <i>0.32</i> | <i>0.46</i> |
| <i>Diluted net profit per share</i> | <i>0.32</i> | <i>0.45</i> |

(*) Pursuant to the CONSOB Resolution no. 15519 of 27 July 2016, the effects of transactions with related parties on consolidated income statement are highlighted in the attached tables.

Comprehensive consolidated income statement

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|--|--|----------------|
| | 2021 | 2020 |
| Net income | 56,340 | 57,228 |
| Other components of the comprehensive income statement which will be reclassified in the income statement in subsequent years | | |
| Profits (losses) on cash flow hedges, net of tax effect | 14 | - |
| Difference due to conversion of financial statements in foreign currency | 5,715 | (6,936) |
| | 5,729 | (6,936) |
| Other components of the comprehensive income statement which will not be reclassified in the income statement in subsequent years | | |
| Actuarial profit (loss) due to employee defined benefit plans net of tax effect | - | - |
| | - | - |
| Total other components in the comprehensive income statement | 5,729 | (6,936) |
| Comprehensive net profit | 62,069 | 50,292 |
| <i>Group's share</i> | <i>62,063</i> | <i>50,288</i> |
| <i>Minority share</i> | <i>6</i> | <i>4</i> |

Prospectus of changes in consolidated shareholders' equity

| <i>(in thousands of Euro)</i> | Reserves | | | | | | | | Net income | Group net shareholders' equity | Minority interests | Total shareholders' equity |
|--|---------------|-----------------------|---------------|-----------------------|---------------------|--------------------------------------|--------------------------------------|---|---------------|--------------------------------|--------------------|----------------------------|
| | Share capital | Share premium reserve | Legal reserve | Extraordinary reserve | Translation reserve | Negative reserve for treasury shares | Actuarial profits and losses reserve | Profit (loss) carried over and other reserves | | | | |
| At 31 December 2019 | 1,650 | 13,247 | 329 | 25,745 | (3,040) | (10,981) | (51) | 34,240 | 33,083 | 94,222 | 18 | 94,240 |
| Net income | - | - | - | - | - | - | - | - | 57,216 | 57,216 | 12 | 57,228 |
| Total other components in the comprehensive income statement | - | - | - | - | (6,928) | - | - | - | - | (6,928) | (8) | (6,936) |
| <i>Comprehensive net profit</i> | - | - | - | - | (6,928) | - | - | - | 57,216 | 50,288 | 4 | 50,292 |
| Allocation of net profit from previous year | - | - | - | 15,114 | - | - | - | 17,969 | (33,083) | - | - | - |
| Cancellation of treasury shares | - | - | - | (10,981) | - | 10,981 | - | - | - | - | - | - |
| Capital increase | 100 | 81,400 | - | - | - | - | - | - | - | 81,500 | - | 81,500 |
| Accessory costs to the capital increase | - | (2,692) | - | - | - | - | - | - | - | (2,692) | - | (2,692) |
| Taxes relating to capital increase costs | - | 751 | - | - | - | - | - | - | - | 751 | - | 751 |
| Increase in performance shares reserve | - | - | - | - | - | - | - | 245 | - | 245 | - | 245 |
| Profit sharing of GVS Mexico employees | - | - | - | - | - | - | - | (345) | - | (345) | - | (345) |
| At 30 September 2020 | 1,750 | 92,706 | 329 | 29,878 | (9,968) | - | (51) | 52,109 | 57,216 | 223,969 | 22 | 223,991 |

| <i>(in thousands of Euro)</i> | Reserves | | | | | | | | Net income | Group net shareholders' equity | Shareholders' equity attributable to non-controlling interests | Total shareholders' equity |
|--|---------------|-----------------------|---------------|-----------------------|---------------------|--------------------------------------|--------------------------------------|---|---------------|--------------------------------|--|----------------------------|
| | Share capital | Share premium reserve | Legal reserve | Extraordinary reserve | Translation reserve | Negative reserve for treasury shares | Actuarial profits and losses reserve | Profit (loss) carried over and other reserves | | | | |
| At 31 December 2020 | 1,750 | 92,770 | 329 | 30,485 | (11,636) | - | (187) | 51,093 | 78,063 | 242,667 | 30 | 242,698 |
| Net income | - | - | - | - | - | - | - | - | 56,332 | 56,332 | 8 | 56,340 |
| Total other components in the comprehensive income statement | - | - | - | - | 5,717 | - | - | 14 | - | 5,731 | (2) | 5,729 |
| <i>Comprehensive net profit</i> | - | - | - | - | 5,717 | - | - | 14 | 56,332 | 62,063 | 6 | 62,069 |
| Allocation of net profit from previous year | - | - | 21 | 4,537 | - | - | - | 73,505 | (78,063) | - | - | - |
| Increase of reserves for long-term incentives | - | - | - | - | - | - | - | 2,025 | - | 2,025 | - | 2,025 |
| Dividends distributed | - | - | - | - | - | - | - | (22,750) | - | (22,750) | - | (22,750) |
| At 30 September 2021 | 1,750 | 92,770 | 350 | 35,022 | (5,919) | - | (187) | 103,887 | 56,332 | 284,005 | 36 | 284,041 |

Consolidated statement of cash flows*

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|--|--|-----------------|
| | 2021 | 2020 |
| Pre-tax result | 73,427 | 75,096 |
| - <i>Adjustment for:</i> | | |
| Amortisation, depreciation and writedowns | 15,789 | 13,958 |
| Capital losses / (capital gains) from sale of assets | (1,954) | (10) |
| Financial charges / (proceeds) | (4,550) | 9,195 |
| Other non-monetary variations | 3,829 | 1,148 |
| Cash flow generated / (absorbed) by operations before variations in net working capital | 86,542 | 99,387 |
| Variation in inventories | (11,646) | (16,590) |
| Variation in trade receivables | 4,244 | (27,352) |
| Variation in trade payables | (4,899) | 25,963 |
| Variation in other assets and liabilities | (3,976) | (2,770) |
| Use of provisions for risks and charges and for employee benefits | (728) | (644) |
| Taxes paid | (29,588) | (6,630) |
| Net cash flow generated / (absorbed) by operations | 39,949 | 71,363 |
| Investments in tangible assets | (11,633) | (22,176) |
| Investments in intangible assets | (3,877) | (2,285) |
| Disposal of tangible assets | 3,516 | 196 |
| Investment in financial assets | (1,126) | (3,061) |
| Payment for purchase of business unit net of cash on hand acquired | (129,202) | (10,532) |
| Net cash flow generated / (absorbed) by investment | (142,322) | (37,858) |
| Opening of long-term financial payables | 150,139 | 503 |
| Repayment of long-term financial payables | (15,260) | (41,955) |
| Variations in current financial payables | - | (3,000) |
| Repayment of leasing liabilities | (3,203) | (2,165) |
| Financial charges paid | (3,239) | (4,018) |
| Financial proceeds collected | 342 | 94 |
| Net fee for IPO | - | 74,508 |
| Dividends paid | (22,661) | (1,681) |
| Net cash flow generated/(absorbed) by financial assets | 106,118 | 22,286 |
| Total variation in cash on hand | 3,744 | 55,792 |
| Cash on hand at the start of the period | 125,068 | 58,542 |
| Total variation in cash on hand | 3,744 | 55,792 |
| Conversion differences on cash on hand | 1,597 | (2,145) |
| Cash on hand at the end of the period | 130,409 | 112,189 |

(*) Pursuant to the CONSOB Resolution no. 15519 of 27 July 2016, the effects of transactions with related parties on consolidated cash flows are highlighted in the attached tables.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021

1. General information

1.1 Foreword

GVS S.p.A. (hereinafter referred to as “GVS”, the “Company” or the “Parent Company” and, with its subsidiaries, as the “GVS Group” or simply the “Group”) is a company established and domiciled in Italy, with registered offices in Zola Predosa (BO), Via Roma 50, organised according to the law of the Republic of Italy.

GVS is owned by the company GVS Group S.p.A. (hereinafter the “GVS Group”), which directly holds 60% of the share capital. There is no other entity exercising direction and coordination of the Company.

The GVS Group is a leading supplier of advanced filtering solutions for highly critical applications and offers advanced filtering solutions for a multitude of applications in a number of highly regulated sectors, organised into the following business divisions: Healthcare & Life Sciences, Energy & Mobility and Health & Safety.

2. Structure and content of the consolidated financial statements

2.1 Basic method of preparation

The Interim Report on Operations at 30 September 2021 was prepared in accordance with the valuation and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure set out in Art. 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, while reference was made to Art. 154-ter of Legislative Decree No. 58 of 24 February 1998 for the purpose of this report.

The accounting standards adopted for this interim report are the same as those used to prepare the annual consolidated financial statements closing at 31 December 2020, to which reference should be made for further details, with the exception of the following:

- accounting standards, or amendments to existing accounting standards, effective from 01 January 2021 (see note 3 for more details), and
- income taxes, recognised on the basis of the best estimate of the weighted average tax rate expected for the entire year, in line with the provisions of IAS 34.

For comparison purposes, the consolidated financial statements at 30 September 2021 show, for the income statement the figures for nine months of 2020, while for the balance sheet the balances for the year ended 31 December 2020.

The Group chose to represent its statement of profit and loss according to the nature of the expense, while the assets and liabilities in the statement of financial position are divided into current and non-current. The statement of cash flows is prepared by the indirect method. The schemes employed are those that best represent the Group’s economic and financial standing.

The currency in which the Company operates and uses for presentations is the Euro.

The statements and tables contained in this periodic report are shown in thousands of Euros.

The Interim Report on Operations is not subject to audit.

It should also be noted that with reference to business continuity, cash equivalents at 30 September 2021, amounting to Euro 130.4 million, the credit lines currently available and the cash flows that will be generated by operations are considered more than sufficient to meet the Group's obligations and to finance its operations.

With regard to performance in the first nine months of 2021, please read the Directors' Report on Operations.

2.2 Consolidation criteria and methods

The interim report on operations includes the statement of financial position and the statement of profit and loss of the Company and its subsidiaries, prepared on the basis of their accounting situations and, where applicable, opportunely corrected to ensure that they conform to EU-IFRS.

The table below lists information on the company name, registered offices, currency of operation, share capital and portion thereof owned directly by the Group for all GVS's subsidiaries.

| Company name | Registered offices | Currency | Share capital at 30 September 2021 | Direct owner | Percentage of control | |
|-----------------------------------|---|----------|------------------------------------|-----------------------------------|-------------------------|------------------------|
| | | | | | As of 30 September 2021 | As of 31 December 2021 |
| GVS Sud Srl | Italy - Zola Predosa (BO) | EUR | 10,000 | GVS SpA | 100.00% | 100.00% |
| YUYao Yibo Medical Device Co. Ltd | China - Yuyao | CNY | 5,420,000 | GVS Technology (Suzhou) Co. Ltd. | 100.00% | 100.00% |
| GVS Technology (Suzhou) Co. Ltd. | China - Suzhou (RPC) | CNY | 25,297,047 | GVS SpA | 100.00% | 100.00% |
| Suzhou GVS Trading Co. Ltd. | China - Ningbo | CNY | 250,000 | GVS Technology (Suzhou) Co. Ltd. | 100.00% | 100.00% |
| GVS Fortune Holding Ltd | Hong Kong (RPC) | HKD | 1 | GVS SpA | 100.00% | 100.00% |
| GVS North America Inc | USA - Sanford (MA) | USD | N/A | GVS North America Holdings Inc | 100.00% | 100.00% |
| GVS Filtration Inc | USA - Findlay (OH) | USD | 10 | GVS North America Holdings Inc | 100.00% | 100.00% |
| GVS North America Holdings Inc | USA - Sanford (MA) | USD | 0.1 | GVS SpA | 100.00% | 100.00% |
| Fenchurch Environmental Group Ltd | United Kingdom - Morecambe | GBP | 1,469 | GVS SpA | 100.00% | 100.00% |
| GVS Filter Technology UK Ltd | United Kingdom - Morecambe | GBP | 27,000 | Fenchurch Environmental Group Ltd | 100.00% | 100.00% |
| GVS do Brasil Ltda | Brazil - Municipio de Monte Mor, Campinas | BRL | 20,755,226 | GVS SpA | 99.95% | 99.95% |
| GVS Argentina Sa | Argentina - Buenos Aires | ARS | 1,510,212 | GVS SpA | 94.12% | 94.12% |
| GVS Filter Technology de Mexico | Mexico - Nuevo Leon | MXN | 50,000 | GVS SpA | 99.90% | 99.90% |
| GVS Korea Ltd | Korea - Seoul | KRW | 100,000,000 | GVS SpA | 100.00% | 100.00% |
| GVS Microfiltrazione Srl | Romania - Ciorani | RON | 1,600 | GVS SpA | 100.00% | 100.00% |
| GVS Patrimonio immobiliare Srl | Romania - Ciorani | RON | 300 | GVS Microfiltrazione Srl | 100.00% | Na |
| GVS Japan KK | Japan - Tokyo | JPY | 1,000,000 | GVS SpA | 100.00% | 100.00% |
| GVS Russia LLC | Russia - Moscow | RUB | 10,000 | GVS SpA | 100.00% | 100.00% |
| GVS Filtre Teknolojileri | Turkey - Istanbul | TRY | 100,000 | GVS SpA | 100.00% | 100.00% |
| GVS Puerto Rico LLC | Puerto Rico - Fajardo | USD | N/A | GVS SpA | 100.00% | 100.00% |
| GVS Filtration SDN. BHD. | Malaysia - Petaling Jaya | MYR | 1 | GVS SpA | 100.00% | 100.00% |
| GVS Filter India Private Limited | India - Mumbai | INR | 100,000 | GVS SpA | 99.98% | Na |
| GVS Filtration Co., Ltd. | Thailand - Bangkok | THB | 3,000,000 | GVS SpA | 100.00% | Na |
| Abretec Group LLC | USA - Detroit (MI) | USD | 14,455,437 | GVS North America Holdings Inc | 100.00% | Na |
| Goodman Brands LLC | USA - Detroit (MI) | USD | 0 | GVS North America Holdings Inc | 100.00% | Na |
| RPB Safety LLC | USA - Detroit (MI) | USD | 0 | Abretec Group LLC | 100.00% | Na |
| RPB Manufacturing LLC | USA - Detroit (MI) | USD | 0 | Abretec Group LLC | 100.00% | Na |
| RPB IP LLC | USA - Detroit (MI) | USD | 0 | Abretec Group LLC | 100.00% | Na |
| RPB Safety Ltd | New Zealand - Christchurch | NZD | 1,000 | GVS SpA | 100.00% | Na |

In the period ended 30 September 2021, the consolidation area changed compared to the previous year, following the acquisition of the RPB Group, specializing in the design and manufacture of respiratory protection, including compressed air respirators and powered air-purifying respirators. In particular, GVS NA Holding Inc. (100% owned by GVS S.p.A.) acquired 100% of the share capital of the American companies Goodman Brands LLC and Abretec Group LLC, while GVS S.p.A. acquired 100% of the share capital of RPB Safety Limited (a New Zealand company). The acquisition took place on 31 August 2021 against which the economic effects from the date of acquisition have been recorded in the Interim Report on Operations, resulting in an increase in the consolidated profit and loss and in the consolidated shareholders' equity for the period of €945 thousand and €977 thousand respectively.

In the period ended 30 September 2021, the scope of consolidation also changed from the previous year, following the establishment of GVS Patrimonio Immobiliare Srl and two commercial companies in India and Thailand respectively. As at 30 September, the latter company was not operational and the share capital had not yet been paid in.

The table below lists the exchange rates used for conversion of the financial statements of companies operating in a currency other than the Euro for the periods indicated:

| Currency | At 30 September 2021 | At 31 December 2020 | Period ending on 30 September | |
|--------------------|----------------------|---------------------|-------------------------------|------------|
| | | | 2021 | 2020 |
| Brazilian Real | 6.2631 | 6.3735 | 6.3764 | 5.7100 |
| Argentine Peso | 114.2144 | 103.2494 | 111.5844 | 76.0339 |
| Chinese Renminbi | 7.4847 | 8.0225 | 7.7376 | 7.8659 |
| American Dollar | 1.1579 | 1.2271 | 1.1962 | 1.1250 |
| Hong Kong Dollar | 9.0184 | 9.5142 | 9.2912 | 8.7273 |
| Japanese Yen | 129.6700 | 126.4900 | 129.8320 | 120.9108 |
| Korean Won | 1,371.5800 | 1,336.0000 | 1,354.3097 | 1,349.7989 |
| Russian Ruble | 84.3391 | 91.4671 | 88.5335 | 79.9599 |
| Turkish Lira | 10.2981 | 9.1131 | 9.7104 | 7.5991 |
| Mexican Peso | 23.7439 | 24.4160 | 24.0772 | 24.5232 |
| Romanian Ron | 4.9475 | 4.8683 | 4.9121 | 4.8269 |
| British Pound | 0.8605 | 0.8990 | 0.8636 | 0.8851 |
| Malaysian Ringgit | 4.8475 | 4.9340 | 4.9414 | N/A |
| Indian Rupee | 86.0766 | N/A | 88.0420 | N/A |
| New Zealand Dollar | 1.6858 | N/A | 1.6816 | N/A |
| Thai Baht | 39.2350 | N/A | 37.7261 | N/A |

Consolidation is carried out by using the line-by-line method, which consists of the inclusion of all assets and liabilities in their entirety. Subsidiaries are consolidated from the date on which control is effectively transferred to the Group, and cease to be consolidated on the date on which control is transferred outside the Group. The assets and liabilities, expenses and income of companies consolidated on a line-by-line basis are fully included in the consolidated financial statements. The book value of equity investments is eliminated against the corresponding portion of shareholders' equity of the investee companies by assigning to the individual assets and liabilities their current value at the date of acquisition of control (acquisition method as defined by IFRS 3 "Business Combinations"). Any residual difference, if positive, is recorded at the asset item "Goodwill"; if negative, on the income statement. Reciprocal payables and receivables, costs and revenues between consolidated companies and the effects of all significant transactions between them are eliminated. Minority interests in equity and results for the period are shown separately in the consolidated shareholders' equity and income statement: such an interest is determined on the basis of the percentage they hold in the fair values of assets and liabilities recognised at the original acquisition date and in the changes in equity after that date. Subsequently, profits and losses are attributed to minority shareholders according to the percentage held by them and losses are attributed to minority shareholders even if this implies that minority interests have a negative balance. Changes in the parent company's interest in a subsidiary that

do not result in the loss of control are entered in the accounts as equity transactions. If the parent company loses control of a subsidiary, it eliminates the assets (including any goodwill) and liabilities of the subsidiary, eliminates the book values of any non-controlling interest in the former subsidiary, eliminates cumulative exchange differences recognised in equity, recognises the fair value of the consideration received, recognises the fair value of any retained interest in the former subsidiary, recognises any gain or loss in profit or loss, and finally reclassifies the parent company's share of the components previously recognised in comprehensive income to the income statement or loss or retained earnings, as appropriate.

3. Valuation criteria

The valuation criteria used for the preparation of the consolidated financial statements for the period ended 30 September 2021 do not differ from those used for the preparation of the consolidated financial statements for the year ended 31 December 2020, with the exception of the new accounting principles, amendments and interpretations applicable from 1st January 2021, which, however, have not had a significant impact on the Group's current financial position and results.

a) IFRS accounting standards, amendments and interpretations effective from 1 January 2021

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from 1 January 2021.

On 27 August 2020, in light of the interbank interest rate reform such as IBOR, the IASB published the document "Interest Rate Benchmark Reform-Phase 2" which contains amendments to the following standards:

- IFRS 9 Financial Instruments;
- IAS 39 Financial Instruments: Recognition and Measurement;
- IFRS 7 Financial Instruments: Disclosures;
- IFRS 4 Insurance Contracts;
- IFRS 16 Leases.

All amendments entered into force on 1 January 2021. The adoption of this amendment had no impact on the Group's consolidated financial statements.

b) IFRS and IFRIC accounting standards, amendments and interpretations endorsed by the European Union, not yet mandatorily applicable and not adopted early by the Group at 30 September 2021

On 14 May 2020, the IASB published the following amendments entitled:

- Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this resulting in any changes to the provisions of the standard.
- Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is not to allow the deduction from the cost of property, plant and equipment of the amount received from the sale of goods produced in the test phase of the asset. These sales revenues and related costs will therefore be recognised on the income statement.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that when estimating whether a contract is onerous, all costs directly attributable to the contract shall be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of the material used in the processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the depreciation of machinery used to perform the contract).
- Annual Improvements 2018-2020: amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

All amendments will enter into force on 1 January 2022. The directors do not expect that the adoption of these amendments will have any meaningful effect on the Group's consolidated financial statements.

c) IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

As of the reference date of this document, the competent European Union bodies have not yet concluded the approval process required for adoption of the amendments and standards described below.

- On 23 January 2020, the IASB published an amendment entitled '*Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*'. The document aims to clarify how to classify debts and other short-term or long-term liabilities. The amendments enter into force on 1 January 2023; however, earlier application is permitted. The directors do not expect that the adoption of this amendment will have any meaningful effect on the Group's consolidated financial statements.
- On 12 February 2021, the IASB published two amendments entitled '*Disclosure of Accounting Policies-Amendments to IAS 1 and IFRS Practice Statement 2*' and '*Definition of Accounting Estimates-Amendments to IAS 8*'. The amendments are intended to improve the disclosure of accounting policies so as to provide more useful information to investors and other primary users of financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies. The amendments will apply from 1 January 2023, but earlier application is permitted. The directors are currently evaluating the possible effects of the introduction of these amendments on the Group's consolidated financial statements.
- On 7 May 2021, the IASB published an amendment entitled '*Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*'. The document clarifies how deferred taxes should be accounted for on certain transactions that may generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments will apply from 1 January 2023, but earlier application is permitted. The directors do not expect that the adoption of this amendment will have any meaningful effect on the Group's consolidated financial statements.

4. Estimates and assumptions

The preparation of this Report requires the Directors to make estimates and assumptions that affect the values of costs, assets and liabilities on the financial statements. If in the future these estimates and assumptions, which are based on management's best valuation, should differ from the actual circumstances, they will be modified appropriately in the period in which the circumstances change. It should also be noted that certain valuation processes, in particular the more complex ones such as the determination of any impairment of fixed assets, are generally carried out in full only at the time of preparation of the annual financial statements, when all the necessary information is available, except in cases where there are impairment indicators that require an immediate assessment of any loss in value.

5. Business combinations

Takeover of the RPB Group

On 31 August 2021, the GVS Group acquired 100% of the share capital of the RPB Group, which specialises in the design and manufacture of respiratory protection, including compressed air respirators and powered air-purifying respirators. In particular, GVS NA Holding Inc. (100% owned by GVS S.p.A.) acquired 100% of the share capital of the American companies Goodman Brands LLC and Abretec Group LLC, while GVS S.p.A. acquired 100% of the share capital of RPB Safety Limited (a New Zealand company). The purchase price was set at a maximum of USD 194.4 million. The transaction provides for an upfront payment of approximately \$150 million for the acquisition of 100% of the share capital, and a possible earn-out of \$44.4 million (maximum value), the payment of which,

expected in 2022, will be proportionally related to the achievement of the RPB group's 2021 Adjusted EBITDA targets.

The table below reports the fair value of the assets and liabilities identifiable as of the date of the takeover.

| <i>(in thousands of Euro)</i> | Provisional fair value as of the purchase date |
|---|---|
| ASSETS | |
| Non-current assets | |
| Intangible assets | 182 |
| Assets represented by usage rights | 1,807 |
| Tangible assets | 3,301 |
| Advance tax assets | 855 |
| Total non-current assets | 6,144 |
| Current assets | |
| Inventories | 11,350 |
| Trade receivables | 4,279 |
| Other receivables and current assets | 126 |
| Cash on hand | 1,566 |
| Total current assets | 17,322 |
| Total assets | 23,466 |
| Non-current liabilities | |
| Non-current leasing liabilities | 1,420 |
| Total non-current liabilities | 1,420 |
| Current liabilities | |
| Current financial liabilities | 416 |
| Trade payables | 1,560 |
| Liabilities from contracts with customers | 127 |
| Current tax payables | 70 |
| Total current liabilities | 2,173 |
| Total liabilities | 3,592 |
| Total net assets acquired (A) | 19,874 |
| Consideration (B) | 159,092 |
| Goodwill (B) - (A) | 139,218 |

Goodwill has been provisionally recognised for an amount of Euro 139,218 thousand, as the valuation period as defined by IFRS 3 is in progress.

The contribution made by the acquired business to the Group's revenues from contracts with customers in the period ending on 30 September 2021 was Euro 3,404 thousand.

6. Explanatory Notes to the main consolidated income statement items

6.1 Revenue from customer contracts

The table below breaks down revenues from contracts with customers by division in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|--|--|----------------|
| | 2021 | 2020 |
| <i>Healthcare Liquid</i> | 73,483 | 56,991 |
| <i>Healthcare Air & Gas</i> | 38,810 | 42,589 |
| <i>Laboratory</i> | 23,915 | 15,818 |
| Healthcare & Life Sciences | 136,208 | 115,398 |
| <i>Powertrain & Drivetrain</i> | 21,775 | 20,216 |
| <i>Safety & Electronics</i> | 16,583 | 14,073 |
| <i>Sport & Utility</i> | 16,605 | 12,962 |
| Energy & Mobility | 54,963 | 47,250 |
| <i>Personal Safety</i> | 62,748 | 90,864 |
| <i>Air Safety</i> | 4,088 | 4,658 |
| Health & Safety | 66,836 | 95,522 |
| Revenue from customer contracts | 258,007 | 258,170 |

The increase in revenues for the period ended 30 September 2021 compared to the same period of the previous year is mainly attributable to the performance of the Healthcare & Life Sciences division, due to the resumption of a sustained growth trend in the Laboratory business and the Healthcare Liquid business, which, in addition to absorbing the effects of the acquisitions realised in 2020, recorded a recovery in the activities that had suffered most from some contractions related to the effects of the pandemic.

The table below breaks down revenues from contracts with customers by type of sale in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|--|--|----------------|
| | 2021 | 2020 |
| Business to business (BTB) | 181,512 | 134,786 |
| Business to consumer (BTC) | 76,495 | 123,384 |
| Revenue from customer contracts | 258,007 | 258,170 |

The table below breaks down revenues from contracts with customers by geographic area in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|--|--|----------------|
| | 2021 | 2020 |
| North America | 106,214 | 90,850 |
| Europe | 97,256 | 114,156 |
| Asia | 37,162 | 37,036 |
| Other countries | 17,375 | 16,128 |
| Revenue from customer contracts | 258,007 | 258,170 |

6.2 Other revenues and proceeds

The table below breaks down other revenues and proceeds for the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|--------------------------------------|--|-------------|
| | 2021 | 2020 |
| Contributions for operating expenses | 585 | 184 |
| Recovery and chargeback | 399 | 329 |

| | | |
|------------------------------------|--------------|--------------|
| Insurance refunds | 36 | - |
| Recovery of scrap | 203 | 174 |
| Capital gains on sales | 1,954 | 10 |
| Other | 384 | 453 |
| Other revenues and proceeds | 3,561 | 1,150 |

Other revenues and proceeds for the period ended 30 September 2021 includes non-recurrent proceeds related to: (i) the capital gain realised following the sale of the Suzhou production site to the Chinese government (€1,925 thousand); (ii) contributions received from the Chinese government for the relocation of the same production site (€488 thousand).

6.3 Purchases and consumption of raw materials, semi-products and finished products

The table below breaks down purchases and consumption of raw materials, semi-products and finished products in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|--|--|---------------|
| | 2021 | 2020 |
| Purchases of raw materials | 77,643 | 72,514 |
| Variation in inventories of products in progress, semi-products and finished products | (1,972) | (4,108) |
| Variation in inventories of raw materials, subsidiary materials and goods | (7,441) | (6,973) |
| Purchases and consumption of raw materials, semi-products and finished products | 68,230 | 61,433 |

6.4 Personnel costs

The table below breaks down personnel costs in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|-------------------------------|--|---------------|
| | 2021 | 2020 |
| Salaries and wages | 59,664 | 55,724 |
| Social security contributions | 15,725 | 14,799 |
| Cost of termination indemnity | 778 | 681 |
| Other costs | 159 | 285 |
| Personnel costs | 76,326 | 71,489 |

The increase in personnel costs in the period ended 30 September 2021 compared to the same period of the previous financial year is mainly due to the increase in turnover achieved in the Healthcare & Life Sciences division. It should be noted that the increase in personnel costs is partly due to GVS Puerto Rico LLC for € 3,295 thousand, which joined the Group at the end of June 2020.

6.5 Service costs

The table below breaks down service costs in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|---------------------------------|--|-------------|
| | 2021 | 2020 |
| Utilities and cleaning services | 5,826 | 4,665 |
| Maintenance | 3,539 | 2,672 |
| Transportation | 3,217 | 4,038 |
| Consulting services | 3,461 | 6,570 |

| | | |
|----------------------------|---------------|---------------|
| Travel and lodging | 476 | 631 |
| Subcontracting | 1,338 | 1,480 |
| Marketing and trade fairs | 643 | 577 |
| Insurance | 1,355 | 785 |
| Cafeteria | 1,056 | 870 |
| Commissions | 561 | 635 |
| Directors' fees | 2,689 | 601 |
| Independent auditor's fees | 343 | 371 |
| Other services | 3,205 | 1,912 |
| Service costs | 27,709 | 25,807 |

Consultancy services, in the period ended 30 September 2020, included, for Euro 4,285 thousand, costs relating to the listing of GVS ordinary shares on the Mercato Telematico Azionario organised and managed by the Italian Stock Exchange. In 2021, the item other services includes, for €991 thousand, the 2021 CONSOB supervisory fee, relevant to the approval of the prospectus and the listing supplement. It should be noted that the increase in costs for services is partly due to costs related to GVS Puerto Rico LLC, for € 1,752 thousand, which became part of the Group at the end of June 2020.

6.6 Other operating costs

The table below breaks down other operating costs in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|---|---|--------------|
| | 2021 | 2020 |
| Leasing costs | 1,259 | 890 |
| Indirect taxation | 704 | 697 |
| Membership fees and charity contributions | 275 | 165 |
| Allocation to provision for risks | 1,451 | - |
| Other minor costs | 645 | 409 |
| Other operating costs | 4,334 | 2,161 |

The item other operating expenses, for the period ended 30 September 2021, included non-recurrent charges related to costs allocated to the provision for the relocation of the Chinese production site and the English production site for a total amount of €1,451 thousand.

Leasing costs include: (i) leasing fees for properties of modest value, for which the Group avails itself of the exemption permitted under IFRS 16, (ii) variable components of a number of leasing fees and (iii) costs connected with use of property under leasing agreements not subject to IFRS 16.

6.7 Amortisation, depreciation and writedowns

The table below breaks down amortisation, depreciation and writedowns in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|---|---|---------------|
| | 2021 | 2020 |
| Amortisation and writedowns of intangible assets | 4,341 | 4,302 |
| Depreciation and writedowns of tangible assets | 8,468 | 6,857 |
| Amortisation and writedowns of assets represented by usage rights | 2,980 | 2,799 |
| Amortisation, depreciation and writedowns | 15,789 | 13,958 |

6.8 Financial proceeds and charges

The table below breaks down financial proceeds in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|-------------------------------|--|-------------|
| | 2021 | 2020 |
| Net profits on exchanges | 5,923 | - |
| Other financial proceeds | 342 | 94 |
| Financial proceeds | 6,265 | 94 |

The table below breaks down financial charges in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|---------------------------------|--|--------------|
| | 2021 | 2020 |
| Interest on bonded loans | 1,178 | 1,761 |
| Interest on loans | 197 | 770 |
| Net losses on exchanges | - | 6,295 |
| Interest on leasing liabilities | 198 | 204 |
| Amortised cost | 83 | 116 |
| Other financial charges | 59 | 143 |
| Financial charges | 1,715 | 9,289 |

6.9 Annual income tax

The table below breaks down annual income tax in the periods ending on 30 September 2020 and 30 September 2021.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | |
|--|--|---------------|
| | 2021 | 2020 |
| Current taxes | 15,310 | 18,691 |
| Deferred taxes | 1,543 | (728) |
| Taxes pertaining to previous financial years | 235 | (95) |
| Income tax | 17,088 | 17,868 |

In accordance with the provisions of IAS 34, income taxes are recognised on the basis of management's estimate of the weighted average expected annual effective tax rate for the entire year, equal to 23.3% for the period ended 30 September 2021 (23.8% for the period ended 30 September 2020).

6.10 Net profit per share

The table below reports net profit per share, calculated as the ratio between net profit and the weighted average number of ordinary shares in circulation in the period, excluding treasury shares.

| | The 9-month period closed on 30th September | |
|--|--|-------------|
| | 2021 | 2020 |
| Group's share of net profit (in thousands of Euro) | 56,332 | 57,216 |
| Weighted average number of shares in circulation | 175,000,000 | 125,202,104 |
| Profit per share (in Euro) | 0.32 | 0.46 |

Diluted earnings per share at 30 September was positive at 0.32 (positive at €0.45 at 30 September 2020) calculated by dividing the result attributable to the shareholders of GVS SpA by the weighted

average number of shares in circulation, adjusted to take into account the effects of all potential ordinary shares with dilutive effect. As potential ordinary shares with dilutive effect, those linked to the performance shares plan have been considered.

7. Non-recurring revenues and operating costs

Non-recurrent proceeds and charges in the period ending on 30 September 2021 represent: *(i)* the capital gain realised following the sale of the Suzhou production site to the Chinese government (€1,925 thousand); *(ii)* contributions obtained from the Chinese government for the relocation of the same production site (€488 thousand); *(iii)* one-off CONSOB supervisory costs paid in relation to the IPO procedure (€991 thousand); *(iv)* costs allocated to the above-mentioned fund for the relocation of the Chinese production site, and the production site in England (coming to €1,451 thousand); and *(v)* consultancy costs for the acquisition of the RPB Group (€919 thousand) and *(vi)* amortisation of intangible and tangible assets recorded following the purchase price allocation of the Kuss group (€2,746 thousand), net of the related tax effect.

Non-recurrent proceeds and charges in the period ending on 30 September 2020 represent: *(i)* amortisation of intangible assets recorded following the purchase price allocation of the Kuss group (Euro 2,920 thousand), *(ii)* consultancy costs and one-off bonuses paid to the personnel in relation to the IPO procedure concluded on 19 June 2020 (Euro 5,081 thousand), *(iii)* consultancy costs for purchase of the shareholding in Puerto Rico (Euro 259 thousand) and *(iv)* personnel reorganisation costs (Euro 284 thousand), net of the related tax effect.

8. Additional information

Economic transactions between group companies are carried out at market prices and are eliminated in the consolidation process. Transactions carried out by Group companies with related parties, which according to IAS 24 are companies and persons able to exercise control, joint control or significant influence over the Group and its subsidiaries, are part of the ordinary course of business and are settled at market conditions. With reference to the provisions of Art. 150, 1st paragraph of Legislative Decree no. 58 of 24 February 1998, no transactions potentially in conflict of interest with Group companies were carried out by members of the Board of Directors.

ATTACHED TABLES

Consolidated statement of financial position, with indication of the amounts of positions with related parties.

| <i>(in thousands of Euro)</i> | At 30 September 2021 | of which with related parties | percentage | At 31 December 2020 | of which with related parties | percentage |
|---|----------------------------|-------------------------------------|------------|---------------------------|---|------------|
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Intangible assets | 236,847 | | | 90,979 | | |
| Assets represented by usage rights | 10,698 | 3,683 | 34.4% | 8,438 | 2,953 | 35.0% |
| Tangible assets | 74,504 | 23 | 0.0% | 68,925 | | |
| Advance tax assets | 5,552 | | | 4,568 | | |
| Non-current financial assets | 919 | | | 968 | | |
| Non-current derivative financial instruments | 28 | | | - | | |
| Other receivables and non-current assets | - | | | - | | |
| Total non-current assets | 328,548 | | | 173,878 | | |
| Current assets | | | | | | |
| Inventories | 74,199 | | | 46,048 | | |
| Trade receivables | 48,350 | 27 | 0.1% | 52,084 | | |
| Assets from contracts with customers | 1,790 | | | 1,753 | | |
| Current tax receivables | 3,496 | 2,040 | 58.4% | 202 | | |
| Other receivables and current assets | 10,948 | - | 0.0% | 8,299 | (0) | 0.0% |
| Current financial assets | 6,115 | | | 5,026 | | |
| Cash on hand | 130,409 | | | 125,068 | | |
| Total current assets | 275,307 | | | 238,480 | | |
| Total Assets held for sale | 2,340 | | | - | | |
| TOTAL ASSETS | 606,196 | | | 412,358 | | |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | | | |
| Share capital | 1,750 | | | 1,750 | | |
| Reserves | 225,923 | | | 162,854 | | |
| Net income | 56,332 | | | 78,063 | | |
| Group net shareholders' equity | 284,005 | | | 242,667 | | |
| Shareholders' equity attributable to non-controlling interests | 36 | | | 30 | | |
| Total shareholders' equity | 284,041 | | | 242,697 | | |
| Non-current liabilities | | | | | | |
| Non-current financial liabilities | 202,593 | | | 69,728 | | |
| Non-current leasing liabilities | 6,638 | 2,226 | 33.5% | 5,471 | 2,146 | 39.2% |
| Deferred tax liabilities | 4,886 | | | 3,167 | | |
| Provisions for employee benefits | 4,547 | 1,649 | 36.3% | 4,499 | 1,617 | 35.9% |
| Provisions for risks and charges | 2,489 | | | 1,000 | | |
| Non-current derivative financial instruments | 14 | | | 107 | | |
| Other non-current payables and liabilities | - | | | - | | |
| Total non-current liabilities | 221,167 | | | 83,972 | | |
| Current liabilities | | | | | | |
| Current financial liabilities | 21,701 | | | 19,673 | | |
| Current leasing liabilities | 4,251 | 1,459 | 34.3% | 3,495 | 965 | 27.6% |
| Trade payables | 23,523 | (0) | 0.0% | 25,585 | (0) | 0.0% |
| Liabilities from contracts with customers | 3,737 | | | 4,894 | | |
| Current tax payables | 3,486 | - | 0.0% | 14,485 | 5,041 | 34.8% |
| Other current payables and liabilities | 44,290 | 2,095 | 4.7% | 17,557 | 2,855 | 16.3% |
| Total current liabilities | 100,988 | | | 85,689 | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 606,196 | | | 412,358 | | |

Consolidated income statement, with indication of the amounts of positions with related parties.

| <i>(in thousands of Euro)</i> | Period ending on 30 September | | | | | |
|---|-------------------------------|--|------------|----------------|--|------------|
| | 2021 | of which with related parties | percentage | 2020 | of which with related parties | percentage |
| Revenue from customer contracts | 258,007 | | | 258,170 | | |
| Other revenues and proceeds | 3,561 | 33 | 0.9% | 1,150 | | |
| Total revenues | 261,568 | | | 259,320 | | |
| Purchases and consumption of raw materials, semi-products and finished products | (68,230) | | | (61,433) | | |
| Personnel costs | (76,326) | (2,651) | 3.5% | (71,489) | (2,533) | 3.5% |
| Service costs | (27,709) | (2,689) | 9.7% | (25,807) | (601) | 2.3% |
| Other operating costs | (4,334) | | | (2,161) | | |
| EBITDA | 84,969 | | | 98,430 | | |
| Net writedowns of financial assets | (303) | | | (181) | | |
| Amortisation, depreciation and writedowns | (15,789) | (828) | 5.2% | (13,958) | (685) | 4.9% |
| EBIT | 68,877 | | | 84,291 | | |
| Financial proceeds | 6,265 | | | 94 | | |
| Financial charges | (1,715) | (50) | 2.9% | (9,289) | (41) | 0.4% |
| Pre-tax result | 73,427 | | | 75,096 | | |
| Income tax | (17,088) | | | (17,868) | | |
| Net income | 56,340 | | | 57,228 | | |
| <i>Group's share</i> | 56,332 | | | 57,216 | | |
| <i>Minority share</i> | 8 | | | 12 | | |

Consolidated statement of cash flows, with indication of the amounts of positions with related parties.

| (in thousands of Euro) | Period ending on 30 September | | | | | |
|--|-------------------------------|-------------------------------|------------|-----------------|-------------------------------|------------|
| | 2021 | of which with related parties | percentage | 2020 | of which with related parties | percentage |
| Pre-tax result | 73,427 | (6,185) | -8% | 75,096 | (3,860) | -5% |
| - Adjustment for: | | | | | | |
| Amortisation, depreciation and writedowns | 15,789 | 828 | 5% | 13,958 | 685 | 5% |
| Capital losses / (capital gains) from sale of assets | (1,954) | | | (10) | | |
| Financial charges / (proceeds) | (4,550) | 50 | -1% | 9,195 | 41 | 0% |
| Other non-monetary variations | 3,829 | 32 | 1% | 1,148 | 42 | 4% |
| Cash flow generated / (absorbed) by operations before variations in net working capital | 86,542 | | | 99,387 | | |
| Variation in inventories | (11,646) | | | (16,590) | | |
| Variation in trade receivables | 4,244 | (27) | -1% | (27,352) | | |
| Variation in trade payables | (4,900) | | | 25,963 | (31) | 0% |
| Variation in other assets and liabilities | (3,976) | (760) | 19% | (2,770) | 1,067 | -39% |
| Use of provisions for risks and charges and for employee benefits | (728) | | | (644) | | |
| Taxes paid | (29,588) | (7,081) | 24% | (6,630) | 971 | -15% |
| Net cash flow generated / (absorbed) by operations | 39,948 | | | 71,364 | | |
| Investments in tangible assets | (11,633) | (23) | 0% | (22,176) | | |
| Investments in intangible assets | (3,877) | | | (2,285) | | |
| Disposal of tangible assets | 3,516 | | | 196 | | |
| Investment in financial assets | (1,126) | | | (3,061) | | |
| Payment for purchase of business unit net of cash on hand acquired | (129,202) | | | (10,532) | | |
| Net cash flow generated / (absorbed) by investment | (142,322) | | | (37,858) | | |
| Opening of long-term financial payables | 150,139 | | | 503 | | |
| Repayment of long-term financial payables | (15,260) | | | (41,955) | | |
| Variations in current financial payables | - | | | (3,000) | | |
| Repayment of leasing liabilities | (3,202) | (985) | 31% | (2,165) | (879) | 41% |
| Financial charges paid | (3,239) | (50) | 2% | (4,018) | (41) | 1% |
| Financial proceeds collected | 342 | | | 94 | | |
| Net fee for IPO | - | | | 74,508 | | |
| Dividends paid | (22,659) | (13,650) | 60% | (1,681) | (1,681) | 100% |
| Net cash flow generated/(absorbed) by financial assets | 106,121 | | | 22,286 | | |
| Total variation in cash on hand | 3,746 | | | 55,792 | | |
| Cash on hand at the start of the year | 125,068 | | | 58,542 | | |
| Total variation in cash on hand | 3,746 | | | 55,792 | | |
| Conversion differences on cash on hand | 1,595 | | | (2,145) | | |
| Cash on hand at the end of the year | 130,409 | | | 112,189 | | |

Consolidated income statement, with indication of the amounts deriving from non-recurring transactions.

| <i>(in thousands of Euro)</i> | The 9-month period closed on 30th September | | | | | | | |
|---|---|------------------------|----------------|------------|----------------|------------------------|----------------|------------|
| | 2021 | of which non-recurring | 2021 Normal. | Inciden. % | 2020 | of which non-recurring | 2020 Normal. | Inciden. % |
| Revenue from customer contracts | 258,007 | | 258,007 | | 258,170 | | 258,170 | |
| Other revenues and proceeds | 3,561 | 2,413 | 1,148 | | 1,150 | | 1,150 | |
| Total revenues | 261,568 | 2,413 | 259,155 | | 259,320 | - | 259,320 | |
| Purchases and consumption of raw materials, semi-products and finished products | (68,230) | | (68,230) | | (61,433) | | (61,433) | |
| Personnel costs | (76,326) | | (76,326) | 0.0% | (71,489) | (1,080) | (70,409) | 1.5% |
| Service costs | (27,709) | (1,910) | (25,799) | 6.9% | (25,807) | (4,544) | (21,263) | 17.6% |
| Other operating costs | (4,334) | (1,451) | (2,883) | | (2,161) | - | (2,161) | |
| EBITDA | 84,969 | (948) | 85,917 | | 98,430 | (5,624) | 104,054 | |
| Net writedowns of financial assets | (303) | | (303) | | (181) | | (181) | |
| Amortisation, depreciation and writedowns | (15,789) | (2,746) | (13,043) | 17.4% | (13,958) | (2,920) | (11,038) | 20.9% |
| EBIT | 68,877 | (3,694) | 72,571 | | 84,291 | (8,544) | 92,835 | |
| Financial proceeds | 6,265 | | 6,265 | | 94 | | 94 | |
| Financial charges | (1,715) | | (1,715) | | (9,289) | | (9,289) | |
| Pre-tax result | 73,427 | (3,694) | 77,121 | | 75,096 | (8,544) | 83,640 | |
| Income tax | (17,088) | 541 | (17,629) | -3.2% | (17,868) | 1,840 | (19,708) | -10.3% |
| Net income | 56,340 | (3,153) | 59,493 | | 57,228 | (6,704) | 63,932 | |

**DECLARATION OF THE MANAGER RESPONSIBLE FOR THE PREPARATION
OF THE COMPANY'S ACCOUNTING DOCUMENTS PURSUANT TO ARTICLE
154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE 58/98**

The Manager responsible for the preparation of the Company's financial reports, Mr. Emanuele Stanco, hereby declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in these Consolidated Interim Financial Statements corresponds to the results of documents, accounting books and entries.

Zola Predosa, 10 November 2021

Emanuele Stanco

Manager responsible for the preparation of
the Company's accounting documents